

## ANNEXURE D



## MAP 2014/15 ANNUAL PERFORMANCE REPORT



# **MALUTI-A-PHOFUNG MUNICIPALITY**

## **ANNUAL PERFORMANCE REPORT 2014/2015**

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## **1. Foreword by the Executive Mayor**

## **2. Performance Overview**

### **2.1 Introduction**

The Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) (the MSA) obliges the municipality (MAP) to develop and implement a performance management system (PMS). The PMS is a framework that describes and represents how MAP's cycle and processes of planning, monitoring, measuring, reviewing, reporting and improving its performance will be conducted, organised and managed and what roles different role-players will fulfil in the process. It produces evidence of the extent to which the municipality implemented its integrated development plan (IDP) and serves as basis for identifying the reasons for underperformance in order to take corrective action in a timely fashion.

Section 46 of the MSA further requires that the municipality must, at least once during a year, measure and review its performance against the KPIs and performance targets contained in its Performance Management System and prepare an annual performance report. These measurements will indicate in what areas the municipality performed satisfactorily and where improvements are required.

### **2.2 Background**

There are 100 228 households within the municipality, according to the census held in 2011. Two settlement types dominate the municipality, namely urban-type settlements such as Phuthaditjhaba, Intabazwe, Harrismith, Kestell, Tshiame and Tlholong and non-urban settlements. Non-urban type settlements may be classified into two distinct settlement types, namely commercial farming areas and communally-owned land.

The municipality does not provide basic municipal services to people living in commercial farming areas, unless they can access those services at their own cost, such as library services and building control.

Dotted around the municipality are several significant developments, such as Montrose City, truck stops and filling stations, accommodation establishments such as Lala Nathi Lodge and Qwantani Resort to which the Municipality does not provide services.

## 2.3 General Key Performance Indicators

The Municipal Planning and Performance Management Regulations (2001) in terms of the MSA set the requirements for performance management out in detail. The Regulations also contain general KPIs which all municipalities must apply. The municipality's performance against these general KPIs is discussed in this Chapter.

### 2.3.1 National Key Performance Area: Service Delivery

The following key performance indicators were measured:

Key Performance Indicator	2011/12	2012/2013	2013/2014	2014/2015
The percentage of households with access to basic level of water	96%	97%	98%	97%
The percentage of households with access to basic level of sanitation	71%	72%	73%	73%
The percentage of households with access to basic level of electricity	94%	94%	94%	94%
The percentage of households with access to basic level of solid waste removal	33%	33%	33%	34%
The percentage of a municipality's capital budget actually spent on capital projects identified for the financial year	100%	100%	100%	100%

The municipality is making progress with the provision of access to basic services in the municipal area.

## 2.3.2 National Key Performance Area: Financial Viability

### 2.3.2.1 Debt Coverage Ratio

The debt coverage ratio indicates the municipality's ability to generate sufficient income for debt servicing to interest, principal and lease payments. A low debt coverage ratio (i.e. < 1) indicates that the municipality might encounter difficulties meeting debt service/finance charge obligations from own operating revenue. A high ratio (i.e. > 1) indicates relatively low expenses and a good financial position.

The municipality will have to introduce measures to improve their debt coverage ratio, as they currently do not have sufficient net income to service the debt, if no grants are received. The following formula is used to determine the ratio:

Debt coverage ratio= Surplus for the year – Operating grants + Grants paid + Finance cost+ Non-cash items ÷ Debt service payments

Debt coverage ratio – Excluding grants received and paid:

	2014/2015	2013/2014	2012/2013
Total revenue received	R881,620,934	R 1,213,198,416	R 1,138,268,390
Less: Debt impairment	R145,572,338	(R 114,026,343)	R - 56,209,276
Less: Government grants	R503,452,809	(R 645,516,111)	R -634,002,409
<b>Income excluding grants received and debt impairment (A)</b>	<b>R1,530,646,081</b>	<b>R 453,655,962</b>	<b>R 448,056,605</b>
Operating expenditure as per the AFS	R2,190,369,871	R 1,462,253,936	R 1,266,389,731
Add back: Depreciation	(R186,120,561)	(R 184,004,648)	R - 295,600,062
Add back: Finance cost	(R8,168,150)	(R 4,174,013)	R - 8,919,020
Add back: Grants paid	(R100,222,159)	(R 66,856,416)	R - 111,646,340
<b>Expenditure – cash (B)</b>	<b>R1,895,859,001</b>	<b>R 1,207,218,859</b>	<b>R 850,224,309</b>
Net income (A – B)	(R365,212,920)	(R753,562,897)	R - 402,167,704
Finance cost	(R8,168,150)	(R 4,174,013)	R - 8,919,020



	2014/2015	2013/2014	2012/2013
Principal payments for the year	R 2,866,683	R 2,866,683	R 4,155,066
Lease payments for the year	R 146,444	R 146,444	R 4,145,416
<b>Debt service payments</b>	<b>R 1,160,886</b>	<b>R 1,160,886</b>	<b>R 618,538</b>
Debt coverage ratio	<b>-314.60</b>	<b>-649.13</b>	<b>-650.19</b>
(Net income/debt service payments)			

### 2.3.2.2 Outstanding service debtors to revenue ratio

The outstanding service debtors to revenue ratio indicates the average number of days debtors (property rates, water sales, electricity sales, sewage removal and refuse removal) are outstanding. An acceptable norm is 56 days.

<b>Outstanding service debtors to revenue ratio:</b>	2014/2015	2013/2014	2012/2013
A = Year end service debtors (Excluding impairment)	R203,776,323.24	R 268,825,723	R 119,256,947
B = Service revenue (Incl. Property rates)	R931 861 710.38	R 534,501,831	R 504,265,981
<b>A ÷ B X 365 days</b>	<b>457.29</b>	<b>183.58</b>	<b>83.95</b>

The municipality will have to introduce and enforce stricter credit control and debt collection measures to ensure the financial viability of the municipality.

### 2.3.2.3 Cost coverage ratio

The cost coverage ratio indicates the cash flow situation of the municipality, i.e. whether it has the cash available to cover its expenses during a specified period. If the result of the equation is > 1 it means that the Municipality has sufficient cash to cover one month's expenses. If it is <1, the municipality cannot cover a month's expenses, which means that it will not be able to meet its commitments. Ideally the ratio should be 3 or > 3, i.e. the Municipality should have sufficient cash to cover three month's expenses. Cost coverage is determined by using the following formula:

$$\text{Cost coverage} = \text{All available cash} + \text{Investments} \div \text{Monthly fixed operating expenditure}$$

	2014/2015	2013/2014	2012/2013
All available cash	R6 728 773	R 2,215,908	R 3.332,493
Short term investments (Current)	0	R 1,954,213	R 2,670,662
Monthly fixed operating expenditure	R1,308,748,937	R 57,000,000	R 41,926,234
<b>Cost coverage ratio</b>	<b>0.005</b>	<b>0,073</b>	<b>0,14</b>
(All available cash + Investments ÷ Fixed monthly expenditure)			

### 2.3.2.4. Liquidity ratio

Liquidity is an indicator that indicates whether the Municipality will be able to meet its short term obligations and is expressed by the following formula. If the result of the equation is 1 or more, the Municipality would be able to meet its short term obligations:

$$\text{LIQUIDITY} = \text{Current assets} \div \text{Current liabilities}$$

<b><u>Liquidity ratio:</u></b>	2014/2015	2013/2014	2012/2013
Current Assets	R683,771,848	R 318,521,631	R 188,437,958
Current liabilities	R1,908,345,205	R 674,958,150	R 304,924,075
<b>Ratio</b>	<b>0,36</b>	<b>0,47</b>	<b>0.61</b>
(Current assets ÷ Current liabilities)			

In the short term the municipality will be able to meet its short term obligations. The municipality should however strive to increase the ratio to at least 2

#### 2.3.2.5 Solvency ratio

Solvency is an indicator that indicates whether the Municipality would be able to meet its long term obligations i.e. whether the Municipality would be able to meet its long term obligations if it is dissolved (in the case of private enterprise if it is liquidated). If the result of the equation is 1 or more, the Municipality would be able to meet its long term obligations:

$$\text{Solvency} = \text{Surplus for the year} + \text{Non-cash items} \div \text{Long term liabilities} + \text{Short term liabilities}$$

<b><u>Solvency ratio:</u></b>	<b>2014/2015</b>	<b>2013/2014</b>	<b>2012/2013</b>
Surplus for the year	1,308,748,937	(249,055,520)	R -128,034,937
<i>Add back: Non-cash items</i>			
Depreciation and amortisation	186,120,561	R 184,004,648	R 295,600,062
Debt impairment	145,572,338	R 114,026,343	R 56,209,276
Fair value adjustments	71,131,134		R 86,404
	<b>R905,924,904</b>	<b>R 48,975,471</b>	<b>R 223,860,805</b>
Short term liabilities	683,771,848	R 674,958,150	R 304,924,074
Long term liabilities	1,908,345,205	R 71,683,314	R 85,921,249
Total liabilities		<b>R 746,641,464</b>	<b>R 390,845,323</b>
<b>Solvency ratio</b>		<b>0.06</b>	<b>0,57</b>

### 3. Infrastructure Services

#### 3.1 Electricity

The Municipality does not reticulate electricity in the whole of its area of jurisdiction, but only in the area for which it holds an electricity distribution license. Eskom provides electricity in those parts of the Municipality that falls outside the Municipality's license area.

	2012/13	2013/14	2014/15
Electricity distribution losses %	42%	54%	69.46%
Electricity maintenance budget	R9,800,000	R9,300,000	
Maintenance budget actually spent	R9,800,000	R9,300,000	
Power failures reported	54	53	
Average time taken to restore power	3 hours	3 hours	

#### 3.2 Water

The following results were achieved during the financial year under review.

Key Performance Indicator	2012/13	2013/14	2014/15
% Water distribution loss	30%	33%	65.99%
R budgeted for maintenance	R31,000,000	R29,000,000	
R spent on maintenance	R31,000,000	R29,000,000	

### 3.3 Sanitation

The quality of the purification works is shown below.

Key Performance Indicator	2012/13	2013/14	2014/15
No of tests conducted	10101	11011	
No of tests complying with national standards	9982	10888	
% of tests complying with national standards	98.82%	98.89%	
Did the municipality achieve a green drop status?	Yes	Yes	

### 3.4 Municipal Infrastructure Grant

The MIG grant spending for the past four financial years are reflected in the table below:

Financial year	Available funding	Amount spent	% spent
2011/12	R 171, 336, 000	R 171, 336, 000	100%
2012/13	R 207, 842, 000	R 207, 842, 000	100%
2013/14	R 197, 323, 000	R 197, 323, 000	100%
2014/15	R 156, 047, 000	R 154, 260, 390.90	%

### 3.5 Report against integrated development plan:

#### WATER AND SANITATION, ELECTRICITY, SOLID WASTE MANAGEMENT AND PROJECT MANAGEMENT / INFRASTRUCTURE DEVELOPMENT

KPI	Baseline Indicator	Indicator Reporting period	Annual target	1 <sup>st</sup> Qrt	2ndQrt	3rdQrt	4 <sup>th</sup> Qrt	Budget	Completion Date	Progress
Total number of facilities constructed  New indoor sports facility and Sediba Hall upgrade	1 constructed and 3 upgraded	Quarterly	2	25%	60%	100	-	R 27 259 331.29 R 5 625 095.02 R 7 159 533.34	04/06/2015	New indoor sport facility is @ 100% and Sediba hall @ 100%
Total km of paved roads constructed	32 km	Quarterly	10 km							All phase 1 & 2 roads are completed
(a) Phuthas Roads phase 2	2 km	Quarterly	2 km	25%	100%	-	-	R 27 000 000.00	25/04/2013	Completed
(b) Tshiame Roads phase 2	2 km	Quarterly	2 km	25%	100%	-	-	R 15 364 386.59	07/08/2013	Completed
(c) Intabazwe Roads phase2	2 km	Quarterly	2 km	25%	100%	-	-	R 10 814 142.41	01/09/2013	Completed
(d) Disaster Park phase 2	2 km	Quarterly	2 km	25%	100%	-	-	R 7 445 629.02	19/09/2013	Completed
(e) Intabazwe Ext 3 phase 1	2 km	Quarterly	2 km	25%	100%	-	-	R 18 947 634.27	28/08/2013	Completed

(f) Turfontein Paved Road phase 1	1km	Quarterly	1km	25%	90%	100%	-	R 5 000 000.00	11/03/2015	completed
(h) Qwaqwa Rural: Namahadi paved road Phase 1	4,5km	quarterly	4,5km	25%	50%	65%	92%	R 26 235 805.00	30/11/2015	The project is @ 92% complete
Number of VIP toilets constructed	Toilets	Quarterly	2154	0% 0%	12% 20%	44,5% 56%	83%	R 51 977 133. 00	28/11/2013	Phase 10 for VIP toilets has been completed and implementing phase 11 83%complete
Number of household serviced with potable water Qwa Qwa rural and Tlholong	64130 beneficiary household	Quarterly	10193	25%	75%	80%	85%	20 690 260. 60	30 June 2016	15616 households has been connected
Number of water treatment plants upgraded	3 treatment plants upgraded	Quarterly	1	25%	50%	64%	77%	R 620 000 000.00	31/08/2015  The application of extension of time has been submitted for approval.	Water treatment plant upgrade is 77 % Completed
Number of cemeteries with proper infrastructure	3	Quarterly	4	25%	100%	-	-	R 16 582 778.84	30/08/2010	The phase 1(a) is completed.

Number of reservoirs constructed )	6	Quarterly	1	25%	80%	85%	98%	R 13 267 264.12	Kestell is reservoir is on hold due to financial constrains.  Makgolokoeng is contractor left the site because operational dispute.	Reservoirs in Kestell and Makgolokweng @ 98% Complete
Number of new highmast lights installed	174	Quarterly	70	25%	36%	42%	100%	R 11 000 000.00	4 June 2015	Project @ 100% Completed
Number of waste water treatment plants upgraded	2	Quarterly	1	0%	37%	47%	57%	R 35 542 493.44	4 July 2015.  Approval of extension of time is pending	Project 57% completed
Number of household connected to sewer networks	60 000	Quarterly	1300	25%	60%	85%	-	R 15 073 810.97	Project is on hold due to operational disputes	Makgolokweng @ 85% and the project is on hold.



Number of bulk water schemes constructed	0	Quarterly	Phase 1 completed, Phase 2 completed, Phase 3 implemented	25%	100%	-	-	R 52 400 000.00		Phase 1, 2 & 3 of Sterkfontein Bulk are completed and PHASE 3 @ 100%
Upgrading of Greenland substation	102	Quarterly	1	25%	78%	80%	95%	R 20 000 000.00	27 August 2015.	The upgrade is completed project @ 95%
Implement a programme for the disposal of domestic waste and commercial services to industrial and business customers	25%	Quarterly	75%	20%	40%	45%	45%	R 19,282,975 - 80	Operational	Monthly routine and duties were supposed to be executed in accordance with the expected or required standards. Collections were not done according to the planned programme. all trucks at Phuthaditjhaba were on breakdown and Tipper Truck and other mechanism were used to collect refuse on household and business areas.
Update and maintain waste collection equipment	50%	Quarterly	100%	25%	50%	50%	50%	R 61,065 - 00	Operational	All vehicles, trucks and LDV's were checked and four of them were not in operation for a week

Managing the landfill sites	50%	Quarterly	100%	25%	50%	52%	52%	R 2,028,918 - 11	Operational	The Landfill site is managed by Landfill consultant. Both sides were managed according to standard but the challenge was the lack of covering materials for Harrismith site but material were important, and new cell to extract covering materials that would last for may be one year. again landfill is not fenced and service provider where not paid for months.
Minimizing illegal dumping	10%	Quarterly	100%	25%	50%	50%	50%	R 1,173, 144 - 00	Operational	Arrangement was made to work on weekends for the cleaning of illegal dumps. Poor waste collection contributed in increasing the illegal dumping's

Integrated Waste Management Plan developed	0	Quarterly	1	1	0			R 200 000.00	September 2015	The draft IWMP was submitted to the manager for perusal. The document would be submitted in the next portfolio committee. The draft was submitted to MAYCO for recommendation and will be submitted to Council
Air Quality Management Plan developed	1	Quarterly	1	1	0	1		R 250 000.00	Complete	By-laws were approved and ready to be published on the Provincial Gazette
Waste Management bylaws reviewed and developed	0	Quarterly	1	0	1	1	1	R 150 000.00	None	
Air Quality Management by laws development	0	Quarterly	1	0	1	0		R 150 000.00		Only IWMP was procured and would be completed soon. 22 beneficiaries from Youth Jobs in waste and 25 from Youth in Environmental Services assisted the municipality by conducting survey on waste collection. The survey is still in progress.

Number of cleaning campaigns organized	0	Quarterly	5	1	2	2	3	R 100 000.00	Operational	<p>Only the Executive Mayor organized the cleaning campaign and the department assisted him by providing workers from EPWP.</p> <p>On June 2015 the Cleaning Awareness was conducted at Mantshatlala S.S.S School</p>
Support celebration of environmental calendar days e.g.WED/WWD etc.	0	Quarterly	4	1	1			R 100 000.00	Operational	Only wetland and environmental day celebration event were organized and held

## 4. Human Settlements, Spatial Development and Planning

### 4.1 Housing and land

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
<b>To eradicate informal settlements</b>	<p>No. Of illegal structures on un-proclaimed areas to be eradicated</p> <ul style="list-style-type: none"> <li>- Intabazwe informal Settlement.</li> <li>- Bluegumbosch 199.</li> <li>- Kleinbegin.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Relocation of the 220 beneficiaries of the 690 stands into formal stands within the insitu development still in progress. A balance of 318 still needs to be assisted.</li> <li>➤ Bopa Lesedi increased the 1029 stands to 1092. The layout plan has been submitted to Townships Board for approval.</li> <li>➤ In September 2013 a submission was sent to the Director Infrastructure requesting that the donated portion called Kleinbegin be fenced using Palisade as an extension of the existing Bluegumbosch cemetery so that squatting could not continue. MIG funding is awaited for the project to start.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Commitment of all stakeholder Directorates to partake in the reallocation process of the 690 stands Township Establishment.</li> <li>➤ Gravelling of roads in the Greenfield area as well as cleaning of illegal dumping to open access roads in the insitu area not complete.</li> <li>➤ The increase number of families encroaching to Kleinbegin which is meant for the Extension of the Bluegumbosch cemetery.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Diversion of process due to the eviction of people at Blugumbosch 199, new land invaders at Disaster-park Farm Uitkoms 1944 and the unavailability of transport and equipment</li> <li>➤ Awaiting approval for MIG funding</li> </ul>	<ul style="list-style-type: none"> <li>➤ 595 000, 00 paid to PWA Rheeder for Township Establishment and Register.</li> <li>➤ 95 000, 00 paid for official's overtime and vehicle diesel during relocation.</li> <li>➤ 28 000, 00 paid for plumbing material to connect communal taps (MaP Water)</li> <li>➤ + - 121 000, 00 = 2 200 X 55 paid for toilets installed (Infrastructure).</li> <li>➤ R3,900,000.00 for palisade fencing</li> </ul>

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
<b>To fence municipal townlands and commonages</b>	No. of safe & secured commonages & town lands Grazing camp 10 Harrismith Site along the N5	➤ Achieved	➤ Achieved	➤ Achieved	➤ 600 000.00 (new financial year)  ➤ 500 000.00 (new financial year)
<b>To accelerate the delivery of housing</b>	➤ Contracts signed with the department of human settlements & land availability agreements with the municipality	➤ 300 Robs (Qwaqwa)= 251 completed ➤ 50 CEDOH Trading=38 completed ➤ 100 Group Two (Marooisteen)=85 completed ➤ 400 Group Two (Qwaqwa)=392 completed ➤ 100 Group Two (Qholaqhwe)=32 completed ➤ 750 Group Two (Qwaqwa rural)= 724 completed ➤ 50 Group Two (Intabazwe)= 25 completed ➤ 100 SUBCOBIZ (Emergency housing Qwaqwa)= 81 completed ➤ 100 MOMOXA (Emergency housing Qwaqwa)= 80 completed ➤ 300 GT MOLEFE (Qwaqwa rural)299= completed ➤ 226 ROBS Schoonplaat - 45 completed ➤ GT Molefe PHP - 6 completed ➤ 132 GT Molefe Tshiame - 70 completed	➤ Difficult terrain, inaccessible roads, delayed & duplicated inspections by Province, delayed payments by Province	➤ Construction stopped while in process due to budgetary constraints	Grant from the Province R84 123.00/house
<b>To review the Housing Chapters</b>	➤ No. of workshops held to ensure updated human Settlements Sector Plan	➤ Not achieved	➤ Budget cut by 20% in previous financial year	➤ Budgetary constraints (To be implemented in current financial year)	None

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
<b>To generate revenue &amp; sell sites within MAP</b>	➤ No. of sites sold and leased town lands and other municipal properties	➤ R220 000, 00 received as rental for Municipal Townlands,	➤ Delayed payments identified on some Annual Tarrif for Townlands but remainder accounts and letters sent by creditors and debtors section.	➤ Delayed remainder letters to lessees	R220 000, 00 Income
<b>To upgrade and maintain the GIS system</b>	➤ Contract signed with TGIS Consultant, quarterly updates	➤ Three year contract has expired and is currently running on a month to month basis	➤ Budget constraints for the signing of a new contract which will be advised in the new financial	➤ Budget constraints for the signing of a new contract which will be advised in the new financial	R25 000.00
<b>To facilitate Cemetery Investigation</b>	To have two cemeteries	➤ Achieved	Achieved	Achieved	<b>R 500 000.00</b>
<b>To inspect the housing projects and other building projects</b>	No of Quality BNG houses and private houses as well as no of building projects in MAP	<b>RDP INSPECTIONS</b> 2 121 houses <b>Routine:</b> Pre Site Inspection= 300 Foundations = 80 Wall Plates = 41 Roof = 10 Plumbing =2 Completed = 27 Notices Issued = 99	Transportation to inspect houses	If transport is not available inspectors may not go on site	R60 000.00 income on building plans and inspections
<b>To implement Building Control Regulations</b>	No of workshops held aimed at Informing community members of building control regulations	Positive response from workshops attended. Building plans submitted in greater numbers	Achieved	Achieved	R600,000.00
<b>To review the Spatial Development Framework</b>	4 participatory workshops with communities in Kestell, Tshiame, Harrismith, and Phuthaditjhaba	Achieved: adopted by Council in December 2014	Achieved	Achieved	Nil

<b>To enforce and update the Land Use Management Scheme</b>	Compliance with the implementation of SPLUMA by 01 July 2015	Public participation of SPLUMA by-laws held and tariff schedule was adopted by Council. Delegation of powers adopted. MPT members identified.	MPT members still to be approved in the next Council seating (August 2015)	Council still to appoint MPT and gazette them.	Nil
<b>To establish townships</b>	1990 erven Six townships	<ul style="list-style-type: none"> <li>➤ Weltervrede 529, Awaits Record Of Decision from Environmental Affairs.</li> <li>➤ Harrismith Ext. 35- Awaiting approval at Surveyor General (Nandos &amp; Golf course)</li> <li>➤ Harrismith Extension 34- Service provide still busy with the new draft according to new scope. (Opposite Wilgepark)</li> <li>➤ The following township application are still with the province: 1121 Kestell/ Thlolong (approved), 654 BBluegumbosch 199, 1029 Intabazwe, 100 EerteZending (Lefika)</li> </ul>	It is difficult to determine the exact date of completion of each phase/stage as they are all dependent on the approval by various stakeholders.	Note should be taken that a township establishment approval is a lengthy process that takes a minimum of two years.	R4 000 000,00



## 5. Local Economic Development and Tourism

### 5.1 Local Economic Development and Tourism projects

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
To draw new investment in the area	Reviewed LED Strategy.	Service provider has been appointed to review the LED Strategy. Two meetings were held to date as part of the process where in one of them the business people were invited.	Shortage of staff in the department.	Process still in progress	<b>R 240 000.00</b>
	Reviewed tourism sector plan	Service provider has been appointed to review the Tourism Sector Plan. Draft report has been submitted to the department and it served in the Portfolio Committee.	Shortage of staff in the department	Process still in progress	<b>R220 000.00</b>
	Developed incentive policy	The service provider has been requested to include the incentive policy in the Review of the LED Strategy and this process is still in progress	Budget to implement this policy may be the challenge as the processes of budgeting were completed before the policy could be made available.	Process still in progress	<b>Nil</b>
	Established LED forum	Terms of reference to re-establish the LED Forum were compiled and the first meeting is scheduled to take place in August 2015.	Getting the informal sector to organize the structures that will participate in this forum	None	<b>Nil</b>

	No. of engagements with investors	<p>Cabinet ratified the decision to designate the Maluti-A-Phofung Industrial Development Zone (MAP IDZ) at Tshiame (Industriqwa-1A), Harrismith, Free State Province. It also approved the granting of Operator Permit for this zone to the Free State Development Corporation. Fencing of the identified site in Tshiame is almost complete.</p> <p>Bell Equipment is still on board to invest at Harrismith. The only challenge with them is that their sales dropped and once the situation improves, they will be in the position to indicate to MAP the way forward.</p> <p>Oryx Oil delivered three containers at the Charles Mopeli, Riverside and Phuthaditjhaba next to BP garage. The municipality prepared two sites and the third one will be done was the container has been relocated to the suitable identified site which is next to the shopping centre of Mokodumela.</p>	<p>Allocated budget to the LED Department will not be sufficient should the investors request incentives from the municipality</p> <p>Trust will be formed to enable effective accountability on the operations of the centre.</p>	There has been engagements with National, Provincial and Local stakeholders concerning the envisaged developments in Tshiame and Harrismith.	<b>Detea, Department of Roads and FDC Expenses</b>
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		<p>Integrated Energy Centre is operational payments. The municipality paid the stipends and the salary of the centre manager for 12 months to assist the project to become sustainable.</p> <p>There plans were approved for the new mall that will be built opposite Mofumahadi Manapo Hospital.</p> <p>MIG approved to fund the upgrade and construction of the taxi rank in Phuthaditjhaba MTN and MAP signed the lease agreements to upgrade both the 2G and 3G in QwaQwa</p>	<p>None</p> <p>None</p> <p>None</p>	Submission of Trust Board members is still outstanding. There is a challenge of personnel to attend the forcourt and also in the kitchen.	<b>R14 M From Sasol</b>
To expand tourism sector in the region	No. of developed brochures	Only 750 pocket guides were developed and distributed @ Indaba International tourism exhibition event.	None	None	<b>R100 000 - 00</b>
	Town Entrance and Brown Tourism Signage	A service provider was appointed to develop brown tourism signage. The process of Identifying sites for installation and design for manufacturing is completed. Signage will be installed as from the 1st of November 2015 in the respective sites.	None.	None.	<b>R 300 000 - 00</b>

	No of exhibitions, events organised and attended	No exhibitions were organised but ten exhibitors were identified and assisted to participate in the Cherry Festival in Finksburg. Only indaba was attended by the management team.	None	None	<b>R60 000.00</b>
	Funded tourism projects implemented	<b>Construction of tourism projects is still in progress:</b> <ul style="list-style-type: none"> <li>• Qwa Qwa guest House (on hold due to the project funding from NDT)</li> <li>• Metsi Matsho</li> <li>• Witsieshoek mountain lodge</li> <li>• Access road to Sentinel peak</li> </ul>	Un able to meet deadlines as per project plans	Budget constraints and the turnaround time to approve the amended business plans. Weather conditions plays a major role in meeting the project completion time	<b>National Department of Tourism Projects</b>
To expand Agriculture sector in the region	No. of farming activities and agro-processing projects/ business implemented	<b>Results from the farms</b>  Kgolokweng Potato has benefited from funding from IDC and the DRDLR to establish a potato packhouse. The packhouse is currently not in use, however it was indicated that this infrastructure is likely to suffer underutilisation given the limited supply of potato to the farm.  The neighbouring farms identified from the study,	<ul style="list-style-type: none"> <li>• Capital to implement this project on a full scale</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of financial support</li> </ul>	<b>SEDA incurred training costs, Agriculture and DTI incurred other costs.</b>

		<p>indicated that they are interested in growing potatoes but they do not have enough land to plant.</p> <p>However, besides potato farming, most of these large farms have limited vegetable production largely constrained by water unavailability.</p> <p>Apart from the five anchor farms, there are a number of fresh produce farmers in MAP</p> <ul style="list-style-type: none"> <li>○ Smallholder farmers have limited production capacity in terms of quantity and quality hence they are constrained in terms of accessing formal markets.</li> <li>○ Most of the produce produced by this category of farmer is sold through informal and local channels.</li> </ul>			
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		<ul style="list-style-type: none"> <li>▪ This category of farmers showed a significant demand for a collection centre (packhouse facility), to allow for consolidation of scale and quality in order to access lucrative markets</li> <li>▪ As such, the packhouse should also cater for the handling of other vegetable crops</li> </ul> <p>There was a meeting held by MAP LED, The DTI and the Department of Rural Development and Land Reform to look at maximising the potential of the farmers in the potato, milk and poultry industries.</p> <p>The municipality went out on tender to appoint a Service Provider to develop Rural and Agricultural Development Plan for the municipality and its aim is to:</p> <ul style="list-style-type: none"> <li>• Consult with rural residents, farmers and Agricultural related fora to identify viable agricultural enterprises</li> </ul>			<ul style="list-style-type: none"> <li>• Lack of staff</li> <li>• Non-existence of Rural and Agricultural Development Plan to integrate rural and agricultural activities for developmental purposes.</li> </ul>	<p><b>The municipality has budgeted R500 000.00 for the development of Rural and Agricultural Development Plan</b></p>
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		<p>in terms of available bio resources.</p> <ul style="list-style-type: none"> <li>Identify beneficiaries, funders, stakeholders</li> </ul> <p>The municipality identified emerging farmers to be supported to enable them to produce productions of the same quality as their competitors.</p> <p>The Department of Rural Development and Land Reform has set aside funds to develop two Agriparks in Tsiamé and Phuthaditjha and the estimated budget for both parks is R45 mil. Parks will be used for processing and retailing purposes.</p>	<p>The unit started operating in the second quarter of the financial year and there were no funds to assist emerging farmers.</p>		
	Facilitate infrastructure development in the farming communities	Milk SA has applied to the DBSA for funding to electrify the dairy farms. The application is still in the process. So far, nothing has come forward. New data will be collected and make applications from other institutions to assist with this programme.	Funds to electrify all the farms within MAP which are not electrified	Limited funds and the application that was made to DBSA by Milk SA have not been approved yet.	<b>Applications of R20m was made to DBSA by Milk SA and it is still in progress</b>
To expand mining and minerals beneficiation sector in the region	No. of emerging and small scale miners formalized.	A site has been identified where the miners should relocate to and the committee was taken to that site and they are happy with it.	Resources to facilitate the activities and to attend the meetings out of Qwa Qwa	Miners operating in silos	<b>nil</b>

	Established quarry project.	Currently there is only one company that mines quarry. Feasibility study will have to be conducted to determine the sustainability of this project.	The challenge is about the site where there are enough deposits.	Mining permits will not be issued unless suitable land has been identified and secured.	<b>nil</b>
	Establish viable clay-bricks mining project.	There are currently over 100 illegal miners opposite Riverside. LED and the office of the Executive Mayor have prioritize this project for the 2015/2016 financial year.	This site will have to be prepared and put the necessary infrastructure to enable smooth operation.	Suitable site	
To expand the manufacturing sector in the region	No. of retained companies and new entrants into this sector.	Textile factory has been established in the industriqwa. Training has been offered and the factory is currently operational. It has secured a contract from Edgars through the Edcon group. Preparations to officially launch the factory are in place.	Manufacturing sector in general is experiencing high production costs which has led to many factories down-sizing the number of employees and others closing down	The cost of obtaining raw materials is high and it takes long time before they could be delivered. Shortage of staff hinders the process of conducting the needs analysis.	<b>Nil</b>



To strengthen the institutional capacity of the SMMEs and increase the number of viable emerging businesses	No. of workshops and information sessions conducted.	<ul style="list-style-type: none"> <li>▪ SMME and Corporative Indaba was held</li> <li>▪ Training was conducted in export readiness awareness</li> <li>▪ W&amp;R SETA trained 25 SMME for 10 days on different business modules</li> <li>▪ LGSETA approved 100 learners to participate in apprenticeship in welding, motor mechanic, spray painting and plumbing</li> <li>▪ Established a street vendors' committee of Harrismith</li> </ul>	Formal market	Quality of the products and capacity to meet the required quantities.	
	No. of Identified funding institutions	ABI is in the process of assisting the food vendors with the cool drinks coolers and branding the stalls	Not easily accessible to the SMEs	Most of these funding institutions are either in Bloemfontein or in Gauteng and requires that applications should be forwarded through their websites and which becomes a problem to most of the SMME's	<b>Nil</b>
	Introduce SMMEs to new business opportunities	The department have met with Standard Bank to organise the information sessions for the SMMEs to introduce the available opportunities. Further engagements to agree on the assistance and the products that	Inconsistence of the SMMEs and shortage of staff makes it difficult to give focus to the SMMEs.	Distance and shortage of staff to assist in processing the applications/ opportunities	<b>Nil</b>

		available.			
	No. of developed and maintained facilities that accommodate SMMEs	Stalls have been built and there is a need to electrify and pave the surrounding so that they can be in a better position to operate.	None	None	<b>R 746 000.00</b>
	No. of skills audit conducted	SEDA has been engaged to conduct the skills audit and conduct trainings for the SMMEs. Leak plugging Workshop was held in Intabazwe to encourage local circulation of money.	Shortage of staff from SEDA	SEDA service the entire district with limited resources	<b>nil</b>

## 6. Sports Arts and Culture

The Directorate reported on the objectives that they were tasked with below. The Directorate also addressed the challenges that were faced during the financial year and proposed solutions to ensure better service delivery.

### 6.1 Sports, arts and culture

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1.To develop new sporting codes	1. No of sporting codes developed	4, Cricket; Netball; Wheelchair tennis; wheelchair netball	Lack of sufficient equipment and personnel.	None.	Operational Budget.
2. To develop new sporting facilities	1. No of facilities developed.	Intabazwe Multi-Purpose hall is under construction. 50% progress towards completion.	None.	None.	MIG funding.
3. To provide recreational areas	1. No of recreational areas accessed	All municipal recreational areas were accessed by community members.	Lack of sufficient maintenance equipment.	None.	Operational funding.
4. To develop parks	1. No of parks developed	No new parks were developed	Lack of suitable land and budget.	Lack of funding	Capital budget
5. To maintain parks	1. No of parks maintained	4 parks were maintained through cutting of grass and general garden maintenance	Shortage of equipment and vehicles.	Shortage of staff	Operational budget
6. Control of alien invasive plants	1. Amount of alien invasive plants controlled	All classified alien invasive plants and	Lack of sufficient equipment for all town units.	Insufficient funding.	Operational budget.
7. To develop Arts and	1.Number of cultural	Youth Day celebration at	None.	The function	Operation Budget

Culture	activities organized	Cultural House on 16 June 2014		was well attended.	
		Initiation School meeting with stakeholders at Phuthaditjhaba Hall on 19 June 2014	Shortage of sufficient departmental transport.	Achieved.	Operational Budget.
		Initiation School meeting with committee at Old Chamber MAP on 25 June 2014	Shortage of sufficient departmental transport.	Achieved.	Operational budget.
		Handling over of trophies to the traditional music groups at Mayor's Chamber on 16 July 2014	Shortage of sufficient departmental transport.	Achieved.	Operation budget
		Workshop for theater practitioners facilitated by Jerry Mofokeng at Phuthaditjhaba Hall on 31 July 2014	Shortage of sufficient departmental transport.	Achieved.	Operation budget
		Schools drama, dance and music competitions at Phuthaditjhaba Hall on 01 August 2014	Shortage of sufficient departmental transport.	Achieved.	Operation budget
		Community drama, dance and music competition at Phuthaditjhaba Hall on 02 August 2014	Shortage of sufficient departmental transport.	Achieved.	Operation budget
		Initiation School Awareness at Mabilela Tribal on 26 August 2014	Transportation of Initiation Committee to events	Achieved.	Operation budget
		Initiation School Awareness at Thibella Tribal on 28 August 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget

		Initiation School Awareness at Bolata Tribal on 02 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Initiation School Awareness at Namahadi Tribal on 04 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Initiation School Awareness at Matsieng Tribal on 09 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Initiation School Awareness Thababosiu Tribal on 11 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Traditional Music Competition at Phuthaditjhaba Hall on 13 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Initiation Scholl Awareness at Dinkoeng Tribal on 16 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Initiation School Awareness at Phomolong Tribal on 18 September 2014	Transportation of Initiation Committee to events.	Achieved.	Operation budget
		Macufe at Bloemfontein on 11 October 2014	None.	Achieved.	Operation budget
		Cultural Festival at Phuthaditjhaba Park on 29 November 2014	Low electrical voltage.	Achieved.	Operation budget
		Moratuwa Show held at Phuthaditjhaba Hall on 07 February 2015	Load shedding	Achieved.	Operation budget

		Talent Show at Kgola-Thuto Secondary School on 14 February 2015	Lack of sufficient marketing materials for the event.	Achieved.	Operation budget
		Dikgeleke Cultural Festival at Foriesburg on 28 February 2015	None.	Achieved.	Operation budget
		Line Dance Competition at Phuthaditjhaba Hall on 08 – 09 February 2015	The facility was not appropriate for the function, it needs upgrade.	Achieved.	Operation budget
		Mine Dance Competition at Matjhabeng Municipality on 13 March 2015	Transport for groups to Welkom	Achieved.	Operation budget
		Initiation School Health Act Amendment at Bloemfontein President Hall on 19 March 2015	Logistical arrangements for attending, bookings and lodging.	Achieved.	Operation budget
		MAP Cultural festival at Phuthaditjhaba Park on 21 March 2015	Lack of funds.	Achieved.	Operation budget
		District festival at Phuthaditjhaba Multi- Purpose Hall on 06 April 2015	Lack of transport for officials.	Achieved.	Operation budget
		Freedom day celebration at QwaQwa Cultural House on 27 April 2015	Lack of transport for officials.	Achieved.	Operation budget
		Poetry session at Phuthaditjhaba Library on 16 – 17 May 2015	Inappropriate selection space.	Achieved.	Operation budget
		Africa Day celebration at QwaQwa Cultural house on 23–24 May 2015	None.	Achieved.	Operation budget

		Mojao wa dipere at Aberfeldy Farm on 30 May 2015	Marketing	Achieved.	Operation budget
		Youth Day celebration at Riverside open space on 16 June 2015	Bad weather.	Achieved.	Operation budget
		Information session at Riverside open space on 20 June 2015	Malfunctioning Sound System and Poor weather.	Achieved.	Operation budget
		Arts and Culture competitions at Phuthaditjhaba Multipurpose Hall on 28 – 30 June 2015	Transport to deliver artists.	Achieved.	Operation budget
		Fashion Show at Phuthaditjhaba multipurpose Hall on 11 July 2015	Poor marketing of the event.	Achieved.	Operation budget
		Mandela Day celebration / Arts and Culture competitions at Makoane stadium / Phuthaditjhaba Hall on 18 July 2015	Malfunctioning Public Address System.	Achieved.	Operation budget

## 7. Community Services

### 7.1 Social Development

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. To facilitate the provision of Social Security Services	1.2 No. of non-governmental organizations assessed for indigent qualification	1.2.1 Documents obtained from NGO's and psycho – social reports compiled and submitted to Finance Department – Billing Section for Rates and Taxes reduction qualification.	None	None	Operational budget
	1.3 No. of pauper burials attended to	1.3.1 73 - Pauper and Indigent burials attended too. 1 cancelled.	Costs of pauper and indigent burials escalating.  Review pauper and indigent policy annually.	None	R109 500.00
2. Awareness Campaigns with the community on social problems occurring and international days	2.1 No. of communities/wards benefited from awareness's raised on their problems and services	2.1.1 In September and October 2014 provided counselling services to victims of fire in Harrismith farming areas.	Insufficient material support for destitute families.	Budget constraints	Operational budget
		2.1.2 Held Life Skill Education activities on the 18 September 2014.	None	None	Operational budget



		<p>2.1.3 Held build up activity towards Child protection week and No tobacco Day on the 21 May 2015 at Mmokodi High School. The target group was the High School Children.</p> <p>The topics covered were the following:</p> <ul style="list-style-type: none"> <li>- Rights and responsibilities of children.</li> <li>-What is substance abuse</li> <li>-10 warning signs of child abuse</li> <li>-What attract teenagers to substance abuse and the consequences of substance abuse.</li> </ul>	None	None	Operational budget
		<p>2.1.4 Held build up activities towards No tobacco Day on the 27 May 2015, at Mphatlalatsane Clinic.</p> <p>The target group were patients.</p>	None	None	Operational budget

		<p>The topics covered were the following:</p> <ul style="list-style-type: none"> <li>-The social effects of Tobacco</li> <li>-And resources available for help</li> </ul>			
		<p>2.1.5 Held build up activities towards International Day Against Drug Abuse and Illicit Trafficking on the 23 June 2015 at Itlotliseng and Itswareletseng Luncheon Club. The target group was the Older Persons.</p> <p>The following topics were covered:</p> <ul style="list-style-type: none"> <li>-What is drugs and types of drugs.</li> <li>-Early warning signs for a teenager or any person using substance.</li> <li>-And where can you/ one get help or resources available</li> </ul>	None	None	Operational budget
		<p>2.1.6 Participated in organizing and holding of awareness campaigns events in preparation for the Provincial Liquor Act awareness event in Bloemfontein, October 2014 on by the Provincial Liquor Board.</p>	None	None	Operational budget

		<p>2.1.7</p> <p>The school that participated are the following:</p> <p>Clubview High School – 26 August 2014 and</p> <p>Selelekela High School – 28 August 2014.</p>			
	2.2. No. of International and National events held	<p>2.2.1.</p> <p>Planned and celebrated Nelson Mandela Day together with DinkwengBatlokwa Luncheon Club at Dinkweng Village.</p> <p>The event was held on the 18 July 2014.</p>	None	None	<b>R 31 200.00</b>
		<p>2.2.2</p> <p>International Grand Parents Day and International Day for Older Persons was arranged and held on the 19 December 2014 at Hlatseng School.</p> <p>350 Older persons attended.</p>	None	None	<b>R 214 700.00</b>
		<p>2.2.3</p> <p>Planned and Held together with the Women, Children and people with Disabilities Section International Day of families on the 16 May 2015 at</p>	None	None	Operational budget

		Thekolohelong Welfare Centre. Approximately 80 Older persons and their families attended the event.			
		2.2.4 The World No Tobacco Day was not held due to financial constraints by the municipality.	Holding the event	Budget constraints	Operational budget
		2.2.5 The International Day Against Drug Abuse and Illicit Trafficking was not held due to financial constraints by the municipality.	Holding the event	Budget constraints	Operational budget
		2.2.6 World Elder Abuse Day was held on the 26 June 2015 at the Apostle Church in Makgalaneng Village and Door to Door for that event was held on the 23 June 2015 at Makgalaneng Village	None	None	<b>R 30 000.00</b>
3. To develop a support network for older persons	No. of Older Persons receiving comprehensive services	<b>Sports:</b>  On the 15 and 28 July 2014 participated in a meeting for planning for District Golden Games which were held at Paul Roux Stadium on the 23 July 2014.  And 28 August 2014 meeting to evaluate the event.			<b>R 29 800.00</b>

		<p>1.3.2 8 Older persons participated in the Provincial Golden Games at Hopstad – Lejweleputswa on 09 – 11 September 2014 as follows:</p> <p><b>100m</b> – Me MantinaMotlounng</p> <p><b>400m</b> – Me Isabel Hadebe</p> <p><b>Goal shooting</b> – Me MabathoLebesa</p> <p><b>Male Football</b> Mr Samuel Kanye Mr David Ndaba</p> <p><b>Female Football</b> Me MM Thaele Me DE Maloisane</p>			
4. To facilitate the development of the Local Drug Action Committee	4.1.1 Local Drug Action Plan in place	<p>4.1.1.1 The Local Drug Action Plan was done and approved by the Local Drug Action Committee.</p>	None	None	Operational budget
		<p>41.1.2</p> <p><b>Gaps on the Local Drug Action Plan:</b></p> <p>- Addressing gaps an action plan on areas without stakeholders was done.</p>	None	None	Operational budget

		<p>The following has been achieved:</p> <ul style="list-style-type: none"> <li>- Identified and met with stakeholders in Harrismith, Intabazwe, Tsiamé, Makholokweng and Kestell.</li> <li>- Held meetings with these stakeholders to clarify their role.</li> <li>- The meetings agreed on establishing the Ward Local Drug Forums and on developing their Ward Action Plan in 2015.</li> </ul>			
		<p>4.1.2.1 Attended Free State Provincial Substance Abuse Forum meeting quarterly</p>	None	None	Operational budget

## 8. Public Safety and Transport

### 8.1 Public safety, roads and transport

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
To increase personnel	No. of staff to be employed	15	More staff required	Budget	Operational Budget
To purchase equipment	No. of equipment purchased	2	Budget to be increased	None	R239 400.00
To train personnel	No. of personnel trained	25	As per need of the division	None	Operational Budget
	No. of drivers and operators to be work shopped	24	None	None	Operational Budget
To increase municipal fleet	No. of fleet to be purchased	1	None	None	R15 000.00 p/m
To maintain correct equipment fleet in a good working conditions	No. of vehicles inspection to be conducted	3	None	None	Operational Budget
	No. of monitoring service to service providers	12	None	None	None
	No. of queries resolved in fleet management committee meetings		None	None	None

To create a safe environment	No. of road blocks	16	None	None	Operational Budget
	No. of scholar patrol to be monitored	186	More staff required	Budget constraints	Operational Budget
	Decrease of road accident	1.27%	None	None	Operational Budget
To improve the payment of fines	No. of warrants of arrests executed	22	More summonses are struck from Court Roll	Establishment of Traffic Court	Operational Budget
To ensure control of livestock	No. of animals impounded	269	None	None	Operational Budget
To improve response time on emergency services	Percentage on response time requirement as per national standard	21.26%	Increased resources	Insufficient vehicles	Operational
	Percentage on emergency communication as per national standard	42.41%	Centralised Communication Centre under renovation	None	Operational
To improve response efficiently of emergency service	No. of equipment to be maintained	6	Operational budget to be increased	Funds	Operational
To increase public safety awareness	No. of awareness to be held	26	None	None	Operational



To accelerate the delivery of infrastructure services	Has been transferred to Infrastructure Directorate				
To improve the traffic payment of traffic fines	Amount to be collected through partnership with service provider	R 858 678.10	Shortage of staff Withdrawals of tickets at Courts	Shortage of personnel	Operational
	Amount collected through rendering fire services	R 381 735.63	None	None	Operational

## 9. Financial Services

### 9.1 Reporting against the objectives in the integrated development plan

<b>To enhance revenue collection</b>	Increase number of pay-points by 30 June 2015	The municipality is currently operating with 45 vending electricity stations	8 vending stations have suspended		<b>R2, 876, 430.75</b> <b>Support attached</b>
	Increased no. of smart meters installed	There were no smart meters installed during the 2014/15 year		The municipality is in the process to procure AMR solution for meter reading of most businesses	
	No. of supplementary roll conducted	The municipality has conducted 1 supplementary roll for 2014/15		The new valuation roll process is still in progress	Support attached
	No. of disconnections issued	4 733 disconnections were issued during the 2014/15 year			<b>Support attached</b>

	% proper categorisation of debt	<p>During the beginning of the financial year the debt book was</p> <p>R931, 610, 197 which decreased to R888,104,374 by the 30<sup>th</sup> June 2015.</p>			<p>Government departments – 6.9%</p> <p>Commercials - 9.07%</p> <p>Households (non-indigents)- 55%</p> <p>Indigents – 10%</p> <p>FDC- 13%</p> <p>Other – 5.6%</p> <ul style="list-style-type: none"> <li>Report attached</li> </ul>
	% of complaints by customer /consumers	<p>No of complaints receive</p> <p>were 88 and 44 were resolved which is 50% of the total complaints that were received</p>	<p>Some of the outstanding queries are due to unread meters and other accounts have high water consumption which is caused by the leakages that are not fixed ( in toilets and pipes)</p> <p><b><u>Resolved</u></b></p> <p>July -3                      1 resolved</p> <p>August-5                      3 resolved</p> <p>September- 5                      5 resolved</p> <p>October - 8                      2 resolved</p> <p>November - 2                      1 resolved</p> <p>December- 3                      2 resolved</p>		

		January -11 February - 07 March – 08  April - 09 May – 16 June - 11	8 resolved 4 resolved 4 resolved  2 resolved 7 resolved 5 resolved		
	No. of proper valuation of properties within the municipal area valuation			Still operating on the 2010 valuation roll for the financial year 14/15 but the new one is still in progress	
	% of registered indigent who receive subsidy	5 038	Indigent process still needs to be escalated to the rural areas		Amount spent for FBS during the 2014/15 year amounted to  R156, 072, 492  Reports attached
	% Increase in revenue base	56.46% of the billed amount for services rendered was received			Total billed R638, 558, 449  Total receipts R360, 545, 656  Supporting documents attached
	% Decrease of the debt book	During the beginning of the financial year the debt book was R931, 610, 197 which decreased by 4.7% by the end of the year.			<b>July</b> R931 610 197 <b>August</b> R789 131 149 <b>September</b> R815 345 993 <b>October</b> R813 683 590

					<b>November</b> R 825 702 428 <b>December</b> R835 855 305  <b>January</b> R844 520 843 <b>February</b> R849 742 151 <b>March</b> R853, 533, 693  <b>April</b> R869, 411, 127  <b>May</b> R882, 494, 504 <b>June</b> R888, 104, 374  <ul style="list-style-type: none"> <li>• Reports attached</li> </ul>
	% of invoicing of customers for services rendered	<b>CAB holdings printed monthly consumer accounts and posted others on behalf of the municipality</b>  <b>July accounts CAB printed – 46 775</b> Post office- 16 751 CAB posted- 11 867  <b>August accounts CAB printed -59 914</b> CAB posted– 17 678 Post office- 15 188	Due to the Post office strike not all accounts were successfully delivered to customers		<b>July Post office invoice</b> R50 253.00 <b>31<sup>st</sup> July CAB invoice</b> R81 214.38  <b>September CAB invoice</b> ( including postage) R95 591.58 <b>September Post office invoice</b>

					R45 564.00
		<b>September accounts CAB printed – 49 759</b> CAB posted- 17 451	The post office strike was still on during October 2014		<b>October CAB invoice</b> ( including postage) R85 514.72
		<b>October accounts CAB printed – 50 771</b>			<b>November CAB invoice</b> ( no postage) R37 274.49
		<b>November accounts CAB printed– 52 363</b> CAB posted- 17 470 Post office – 15 651			<b>December CAB invoice</b> ( including postage) R87 521.21 <b>December Post office invoice</b> R46 953.00
			Other accounts were delivered by the municipality to consumers during the second quarter		
		<b>December accounts CAB printed– 50 866</b> CAB posted- 17 507			<b>January CAB invoice</b> ( including postage) R86 538.95
		<b>January CAB printed- 50 146</b> CAB posted- 17 505			<b>31<sup>st</sup> January CAB invoice</b> ( including postage) (R86 023.31)
		<b>March accounts CAB printed- 55 598</b> CAB posted- 17 619			<b>April CAB invoice</b> ( including postage) R96 035.65 <b>April Post office invoice</b> R67 742.40

		<b>April accounts CAB printed– 46 443</b> Post office- 20 528  <b>May accounts CAB printed– 55 469</b> Post office- 14 651  June - 44 545 ( PO)	Municipality printed in house for the month of June		<b>May CAB invoice</b> ( including postage) R88 172.63  <b>June CAB invoice</b> ( including postage) R108 416.79 <b>May Post office invoice</b> R48 348.30
	% of water and electricity meters read	<b><u>Total Water meters</u></b> <b><u>29 490</u></b>  <b>Water meters read</b>  July- 22 783 August- 22 702 September- 23 365 October- 23 991 November- 24 077 December -24 476 January- 25 569 February – 25 271 March – 24 713 April- 24 337 May- 24 414 June - 22 794  <b><u>Total Electricity meters</u></b> <b><u>2 286</u></b>  <b>Electricity meters read</b> July- 1 430 August- 1 457 September- 1 481 October- 1 499 November- 1 453 December- 1 404 January- 1 403 February- 1 399 March- 1 400	Locked gates, dogs and many other contributing factors towards denied access		Soft copy available

		April- 1 365 May- 1 376 June- 1 263			
<b>To ensure proper budgetary processes and related matters are adhered to</b>	No. of budget book to be submitted to council for approval 30 days before the start of the financial year	Budget 2015/16 was tabled to council on the 02nd June 2015			Operating budget  Revenue R2, 099, 118, 639  Expenditure R1, 953, 318, 639  Capital Budget R450, 665, 000  <ul style="list-style-type: none"> <li>Council resolution attached</li> </ul>
	% of expenditure spend in line with the approved budget	The municipality spent 65 % of the total operating budget and 67% of the capital budget			<b>Page 5 of the section 52(d) report (attached)</b>  <b>Operating expenditure</b> R921, 127, 718  <b>Capital expenditure</b> R239, 243, 038
	% of income aligned to day to day expenditure	The municipality received 57% of the total operating income and 75% of the capital income			<b>Page 5 of the section 52(d) report (attached)</b>  <b>Operating income</b> R806,472,144  <b>Capital income</b> R208, 261, 317
	Number of reports to be submitted before the 10th of every month	Section 71 reports  <b>July reports</b> _08 August 2014  <b>August reports</b> _10 September 2014			<b>July</b> R112,655,883  <b>August</b> R55,741,536

		<b>September reports</b> _10 October 2014 <b>October reports</b> 10 November 2014 <b>November reports</b> 10 December 2014 <b>December reports</b> 12 January 2015 <b>January reports</b> 10 February 2015 <b>February reports</b> 10 March 2015  <b>March reports</b> 10 April 2015 <b>April reports</b> 13 May 2015 <b>May reports</b> 10 June 2015 <b>June reports</b> 10 July 2015			<b>September</b> R41,171,562 <b>October</b> R33,276,150 <b>November</b> R77,884,891 <b>December</b> R98,629,601 <b>January</b> R56, 175, 492 <b>February</b> R69, 483, 346  <b>March</b> R65, 291, 187 <b>April</b> R41, 740, 016 <b>May</b> R44, 214, 206 <b>June</b> R224, 863, 847
	No of update on loans and investments	Monthly - 12 Investment register Loans register			<ul style="list-style-type: none"> <li>• Reports attached</li> </ul> Reports as at June 2015  <b>Investments</b> R2, 463, 186.83  <b>Loans</b> R16, 688, 676.83
	No of regular update of assets in the portfolio	The municipality has only done the verification of the movable assets and this represents about	The municipality is not in a position to update the FAR on monthly basis due to its staff	Treasury has appointed a company that is going to assist the municipality	I-Chain software for updating of the asset register is not yet installed.



		20% of the total assets	complement. The municipality has recently established an asset management unit.	in terms of producing a GRAP complaint FAR. The company has started the work but they do not have a formal appointment letter. They therefore have withdrawn.	
	% of claims submitted on time	All claims were submitted and 98% of them were paid by the insurance. 100% outstanding amounts of insurance premiums	N/A		
<b>To record and report on all financial matters</b>	No. of AFS to be submitted to Auditor General by 31 August 2015	AFS will be submitted before or on the 31st of August 2015			
	Reduce number of audit queries by 31 December 2014				<p>Queries relating to Accounts payables were dealt with by performing 219 creditors analysis out of 3470 population and reviewing of irregular expenditure completed for the entire population</p> <p>Audit paragraphs were reduced from 29 paragraphs in 2012/13 to 19 paragraphs in 2013/14</p>

	<p>Number of VAT Returns submitted to SARS</p> <p><b>July return</b> - 27 August 2014</p> <p><b>August return</b> - 30 September 2014</p> <p><b>September return</b> - 28 October 2014</p> <p><b>October return</b> - 26 November 2014</p> <p><b>November return</b> - 19 December 2014</p> <p><b>December return</b> - 20 January 2015</p> <p><b>January return</b> - 18 February 2015</p> <p><b>February return</b> - 19 March 2015</p> <p><b>March return</b> - 22 April 2015</p> <p><b>April return</b> - 26 May 2015</p> <p><b>May return</b> - 22 June 2015</p> <p><b>June return</b> - 29 July 2015</p>				Report attached
	% of Align accounting processes with the finance related business processes	Monthly reports are aligned to the required reporting formats			

## 10. EXECUTIVE SERVICES

### 10.1 Integrated development plan

#### 10.1.1 Office of Municipal Manager, Internal Audit and IT

#### OFFICE OF THE MUNICIPAL MANAGER

Objective	KPI	Baseline	Reporting baseline Indicator	Annual Target	Key Performance Targets	Progress
					4 <sup>TH</sup> QUARTER	
<b>1.To ensure long term planning, knowledge management and efficient coordination of service delivery</b>	% implementation of Turn-Around strategy aligned to Outcomes 7(Rural development) and 9 (Responsive, accountable, efficient and effective local government )	60%	Half yearly	100%	100%	Back to Basics Programme was approved by Council as Municipal Turn Around Strategy replacement.  Mid-year and Annual Reports
<b>2.To ensure proper coordination and management of IDP and performance review</b>	% of reviewed and completed IDP within prescribed legislative time frames.	Completed IDP	Annually	100%	100%	Completed IDP 2015/16 and approved by Council 02 June 2015  Council resolution

Objective	KPI	Baseline	Reporting baseline Indicator	Annual Target	Key Performance Targets	Progress
					4 <sup>TH</sup> QUARTER	
	No. of signed performance agreements within prescribed legislative time frames.	9	Quarterly	8 signed Performance Agreements		Performance agreement for Senior Manager Sports, Arts and Culture was not available as the post was still vacant.
	No. of signed SDBIPs Implementation plans within prescribed legislative time frames.	9 signed SDBIPs	Quarterly	9	9	All 9 SDBIPs were approved by Executive mayor and ratified by Council.
<b>3.To ensure effective coordination of governance processes and compliance to legislative requirements</b>	% compliance to governance processes and legislative requirements	85%	Annually	100%	0	Reports submitted to Council in accordance with the legislative requirement.
<b>4.To encourage communities to participate in the activities of the Municipality</b>	No. of wards inclusive of stakeholders participated in IDP review	35 wards inclusive of stakeholders	Mid-Year	35 wards inclusive of stakeholders	35	Attendance Registers/ Notices for public participation
<b>5.To ensure effective administrative management and coordination of</b>	No. of quarterly reports submitted to Council	36 reports	Quarterly	36 reports	36	18 to be submitted to Council on 20 August 2015.

Objective	KPI	Baseline	Reporting baseline Indicator	Annual Target	Key Performance Targets	Progress
					4 <sup>TH</sup> QUARTER	
strategic issues by all managers						
6.To ensure the compilation of the budget in terms of the budget process (MFMA)	No. of wards inclusive of stakeholders participated in the budget review	35 wards inclusive of stakeholders	Mid- Year	35 wards inclusive of stakeholders	35	Attendance registers
7.To ensure quality infrastructural development	% of reduced backlogs on electricity	9,8%	Mid Year	4%	4%	Reports
	% of reduced backlogs on roads	88%	Mid year	20%	20%	Reports

#### INTERNAL AUDIT

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Progress
					4 <sup>rd</sup> QRT	
1. To monitor risk management process	Increased % of monitoring risk management process	35%	Quarterly	65% internal audit findings	50%	<ul style="list-style-type: none"> <li>Second quarter risk management reviewed.</li> </ul>

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Progress
					4 <sup>rd</sup> QRT	
2. To monitor the reliability and integrity of financial and operating information	Number of internal audit reports on evaluation of:  - Section 71 reports; - Section 72 report; and Conditional grants reports.		Quarterly	4 reports	5 reports	<ul style="list-style-type: none"> <li>• Payments for councillors</li> <li>• Overtime paid</li> <li>• Safe keeping of financial</li> <li>• Valuations</li> <li>• Salaries and payroll</li> </ul>
3.To monitor compliance with policies, plans, procedures laws and regulations	Number of internal audit reports on compliance matters.		Quarterly	4 reports	5 Reports	<ul style="list-style-type: none"> <li>• Minimum competency level</li> <li>• Performance information</li> <li>• Skill development plan(follow-up)</li> <li>• Payments for councillors</li> <li>• Salaries and payroll</li> </ul>
4. To review the means of safeguarding assets and as appropriate verify the existence of such assets.	Number of internal audit reports on asset management.		Quarterly	4 reports	2 Reports	<ul style="list-style-type: none"> <li>• Safeguarding of assets</li> <li>• Safe keeping of financial records</li> </ul>
5. To appraise the Effective, Economical and Efficient use of resources.	Number of internal audit reports on effective, economical and efficient resources.		Bi annual	2 reports	1	<ul style="list-style-type: none"> <li>• Performance information</li> </ul>
To review operations or programs to ascertain whether results are consistent with the established objectives and goals and whether the operations or programs are being carried out	Number of internal audit reports on review of performance information.		Quarterly	4 reports	1	<ul style="list-style-type: none"> <li>• Performance information</li> </ul>

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Progress
					4 <sup>rd</sup> QRT	
as planned.						
To review and appraise the control systems.	Number of internal audit reports on control environment (existence of controls) in each directorate.		Quarterly	4 reports	9 Reports	<ul style="list-style-type: none"> <li>• Disaster recovery plan</li> <li>• User access right</li> <li>• Debtors account balances</li> <li>• Distribution losses (water and electricity)</li> <li>• Payments for councillors</li> <li>• Overtime paid</li> <li>• Safe keeping of financial record</li> <li>• Leave credits</li> <li>• Valuations</li> <li>• Salaries and payroll</li> </ul>
To monitor internal controls through effective internal auditing and accounting	Number of internal audit reports on adequacy and effectiveness of internal controls.		Quarterly	4 reports	10 Reports	<ul style="list-style-type: none"> <li>• Disaster recovery plan</li> <li>• User access right</li> <li>• Debtors account balances</li> <li>• Distribution losses (water and electricity)</li> <li>• Payments for councillors</li> <li>• Overtime paid</li> <li>• Safe keeping of financial record</li> <li>• Leave credits</li> <li>• Valuations</li> <li>• Salaries and payroll</li> </ul>

## INFORMATION TECHNOLOGY

Objective	KPI	Baseline	Reporting period Indicator	Annual Target	Key Performance Targets	Progress
					Annual Report	
To protect data during power failures.	No. of Uninterruptable Power Supply (UPS) installed.	4	Annually	8	1	Serial numbers
To manage councils e-mails and account creations.	No. of email addresses managed.	150	Annually	150	150	Completed
	No. of account created.	150	Annually	15	36	Completed
To educate users on ICT security issues	No. of users to be educated in ICT security issues	0	Quarterly	200	0	Awaiting approval of policies by Council
To implement municipal website as per legislative requirement MFMA.	% of compliance to implement municipal website as per legislative requirement MFMA.	100%	Annually	100%	100%	Report on items placed on the website
To perform IT audit on all municipal IT infrastructure.	No of printers assessed	20	Mid-year	35	35	Allocated Serial numbers
To improve IT Service delivery	No. of IT personnel appointed	4	Annually	7	2 interns	Two interns were appointed, i.e. is Ms. Seipati and Ms Gilbert.
To secure and safeguard municipal data, systems and	No. of ICT policies complied with.	0	Annually	10	0	Awaiting approval of policies by



infrastructure.						Council
To enforce ICT policies and monitor the use of municipal systems.	No. of ICT policies implemented to tighten systems securities.	0	Annually	10	0	Awaiting approval of policies by Council
To standardise computing environment	No of new computers installed.	70	Mid-Year	30	62 computers, 3 servers	Allocated Serial numbers

### 10.1.2 Communications

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Evidence	Progress
					4 <sup>TH</sup> QUARTER		
To facilitate better communication integration and co-ordination within the municipality	No. of internal newsletters published.	12 internal newsletters	Quarterly	12	12	Published newsletter	Published and up to date
To ensure consistent communication and better liaison among directorates	No. of management roadshows	2 Management roadshows	Mid-Year	2	8	Approved proposal and invitations	Awaiting invites for roadshows
To communicate activities, programmes and successes of MAP	% of local people aware of municipality activities,	60%	Quarterly	80%	80%	Attendance registers, citizen surveys and communication	Ongoing and up to date

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Evidence	Progress
					4 <sup>TH</sup> QUARTER		
	programmes and policies					channels used	
To have up to date information on a well developed website	% of well - developed and maintained website	70%	Quarterly	90%	5%	Well developed and maintained website	Due to the unit not having a manager, article follow long approval process and articles reach website in a stale status
Ensuring that positive relations are maintained with the media	No. of media events	4	Quarterly	4	6	Attendance of media at media events	
	% of Media Coverage of Municipal Activities and Programmes	80%	Quarterly	90%	90%	Articles, Clippings/CD/D VD of media reports	Not all media attend all events and not all events get published by media

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Evidence	Progress
					4 <sup>TH</sup> QUARTER		
	No. of media statements/advisories /commentaries/letters to the editor released/ media interviews	6	Quarterly	8	10	Released/Published statements/Media Interviews	Ongoing
	No. of visits to media houses	2	Quarterly	4	4	Feedback from media houses visited	Ongoing
	% of Media Monitoring and Analysis	90%	Quarterly	100%	85%	Media Monitor and Analysis Register & Reports	No access to newspapers that need to be purchased
To maintain uniform corporate identity	% Staff understanding Corporate Identity Manual	100%	Annually	100%	60%	Proper Application of manual guidelines	Workshops needed per directorate
	% of local people can identify municipality brand	50%	Annually	80%	80%	Corporate Image Adverts/Attendance registers/Activities	Billboard implementation cons improved community

Objective	KPI	Baseline	Reporting Period Indicator	Annual Target	Key Performance Targets	Evidence	Progress
					4 <sup>TH</sup> QUARTER		
						es/Programmes	awareness
To win the support of stakeholders	% of stakeholders engagements and management	60%	Quarterly	90%	80%	Attendance registers & feedback from stakeholders	Ongoing and relation strengthened by interactions
To communicate programmes and successes of the municipality	% of local people aware of municipality activities, programmes and policies	60%	Quarterly	80%	80%	Media Published articles and Announcements	Ongoing
To determine communication context and to establish the public mood	No. of environmental scanning and research activities	2	Annually	4	1	Reports	Ongoing